

MINUTES
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Monday, December 20, 2004, at 9:00 a.m.
State Capitol Building, Room 303

PRESENT: Governor Judy Martz, Superintendent of Public Instruction Linda McCulloch, State Auditor John Morrison, and Attorney General Mike McGrath

ABSENT: Secretary of State Bob Brown

Motion was made by Mr. Morrison to approve the amended minutes of the Board of Land Commissioners' meeting held November 15, 2004. Seconded simultaneously by Ms. McCulloch and Mr. McGrath. Motion carried unanimously.

BUSINESS TO BE CONSIDERED

1204-1 FWP – BRUSH LAKE STATE PARK – JENSEN ACQUISITION

Mr. Clinch said statute requires whenever acquisitions exceed a certain amount that DFWP secure approval from the Land Board before proceeding. The first three items on the agenda today are of that nature.

Mr. Doug Monger, FWP Parks Division, said you may remember back in 2001, the Governor created the State Park Futures Committee which looked at the operation, management, and maintenance of the state park system. One of the things the Committee recognized was that there were no state parks in northeastern Montana, and it recommended that FWP take an action about that. At the same time the report came out, our director appointed the Region VI State Park Search Committee for that part of the state. They looked at 26 wonderful properties and made a recommendation on four of them. Brush Lake was one of those recommendations. Brush Lake is located 18-20 miles southeast of Plentywood, 18 miles from Canada, and three miles from North Dakota. So it is indeed northeastern Montana. The department has negotiated with a private landowner that owns the north half of Brush Lake, it is our intent to acquire the entire lake, the south half as well, but haven't completed the negotiations on the south half yet. Today, I bring to you a request to approve the acquisition for the north half of Brush Lake. It includes 450 acres of real property we acquired from the Marie Jensen revocable trust for \$119,000; 370 acres of mineral rights from the trust as well as from Elliott and Judith Jensen for \$10,000 and we would leave with them a life trust on the mineral rights for that which would then transfer to FWP upon the demise of the final Jensen. We would be acquiring 80 acres of mineral rights from the Northwest Farm Credit Services for \$2,160.00 and with that they reserve a 7% royalty; and we would be leaving with the Jensen's, until September 2007, the rights to a CRP on the property.

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 2

Mr. Monger requested approval to acquire the properties mentioned from the Jensen family, with the understanding that he'd come back to the Board for the south half of the lake as well.

Motion was made by Ms. McCulloch to approve the Brush Lake State Park acquisition. Seconded by Mr. McGrath. Motion carried unanimously.

1204-2 FWP – BULL RIVER/LAKE CREEK CONSERVATION PROJECT

Glen Erickson, FWP Field Services Division, said this has been a fairly complicated project involving two square miles, 1325 acres, of land in the Bull River/Lake Creek divide area in Sanders and Lincoln County. It also includes a 561 acre Conservation Easement on adjoining land. The values we're trying to protect are the stream habitat for bull trout and west slope cutthroat trout; it is key winter range for elk, moose, and deer; it is an east-west travel corridor for grizzly bear and lynx between the west and the east Cabinets; also it is a very productive area for waterfowl, bald eagles and other riparian-dependent birds. The land is currently under ownership of Plum Creek Timber and the Conservation Fund. The partners we have are the Avista Corporation, this project is part of their program for habitat protection mitigation and enhancement programs in the Clark Fort drainage under their FERC license for hydropower dams; also Plum Creek Timber and the Conservation Fund that helped us negotiate the agreement and provide key staff work. It also involves the US Fish and Wildlife Service's North American Wetlands Conservation Act, as well as their Habitat Conservation Plan land acquisition program. We propose three transactions to occur simultaneously. We would be purchasing 1,285 acres from the Conservation Fund, land now owned by Plum Creek; we would receive a donation of an additional 40 acres from Avista, and then accept a donated Conservation Easement on additional 561 acres of Avista land. The price for the fee title purchase is \$4,550,000, the donated CE is valued at \$2,064,000, which is required for the non-federal match for the Habitat Conservation Plan land acquisition grant. We had an EA released in September and held public hearings. We received 39 comments in favor, no opposition. There were some questions through the process mostly dealing with the use of the area for a fire heli-port which will be allowed under the CE; and also dealing with some of the issues surrounding the private lands in the area and access by the public. The county roads will remain open and the Forest Service access for the skiing site will also remain open. We will have closures to protect the wildlife during the winter on the actual wildlife management area, but will permit some uses that do not cause significant impact. We had support by the three Sanders County Commissioners and a County Commissioner in the Troy area. We ask that the Land Board approve the purchase of the acreage as well as the transfer of the Conservation Easement and the donation to FWP.

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 3

Motion was made by Mr. McGrath to approve the request. Seconded by Ms. McCulloch. Motion carried unanimously.

1204-3 FWP – TRANSFER OF CHIEF JOSEPH BATTLEFIELD (Bear Paw
Battlefield State
Park)

Doug Monger, FWP, said in the early 1990's, the U.S. Congress recognized and designated the Nez Perce Trail as a national historic trail. The Trail has 19 battle sites from Chief Joseph's slide through Idaho and Montana. Eighteen of those 19 sites are operated, maintained, or owned by the National Park Service (NPS), and one site, the Bear Paw Battlefield just south of Chinook, is a 200-acre property owned and operated by FWP. There is no sense in having a National Park Service operate 18 sites and having FWP operate one site on the same trail. Since 1994, FWP has leased to the NPS the Bear Paw Battlefield. We have now come to an arrangement with the NPS through the Conservation Fund where we will transfer title to Bear Paw Battlefield State Park to the Conservation Fund and it will ultimately go to the NPS, and in exchange they will provide funding for part of the Brush Lake acquisition that was just approved. Bear Paw Battlefield has an appraised value of \$25,000, and is approximately 200 acres. Mr. Monger requested permission from the Board to transfer Bear Paw Battlefield State Park to the Conservation Fund, ultimately to the National Park Service, as part of the Brush Lake acquisition complex.

Motion was made by Mr. Morrison to approve the Transfer of Bear Paw Battlefield State Park. Seconded by Mr. McGrath. Motion carried unanimously.

1204-4 PROPOSED LAND EXCHANGE POLICY REVISIONS

Mr. Clinch said this is a request for the Board to approve minor changes in policy that deal with our land exchange procedures. I don't believe we've brought much before this Board in the last four years relative to land exchanges for two reasons, one is because of workload. We're involved in other projects and the procedures associated with land exchanges are cumbersome and lengthy and oftentimes are a deterrent and beneficial opportunities go unanswered. Recently we learned that a number of applicants that are proposing land exchanges are willing to "foot the bill" with meeting some of the tasks associated with the process of moving forward with exchanges. If the department is granted the authority to do that, it would be beneficial both from the applicant's standpoint of moving forward and from a trust standpoint in being able to go forth and actually complete land exchanges. This proposal is a request to accept minor changes in policy that clarify how we would deal with those situations where the applicant would pay for certain portions of the process we go through in implementing a land exchange.

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 4

Jeanne Holmgren, DNRC, said the land exchange policy was developed in 1994. There are several legal criteria associated with lands for the acquisition and disposition of those lands in addition to consolidation providing legal access and access for the public. Our land exchange program is a lower priority for the department in processing land exchanges. In the event a land exchange is proposed by a proponent, we are finding they are willing to take on some of the expenses and responsibilities financially for the processing of the land exchanges, such as MEPA, appraisal surveys, and timber cruises. However, the department retains full rights and responsibilities for decision making over those documents. Adding these aspects into this policy provides the clarification of the proponents that they will be responsible for those expenses and how that is laid out. In addition to the expense issue is clarifying the aspects of the appraisal and that the land will be appraised in two manners. Typically the lands we dispose of that are trust lands are isolated properties. They will be appraised in two ways: with legal access and without legal access so that we can get the full perspective of our lands, even though they don't have legal access, so the trust is not disadvantaged in a land exchange. Ms. Holmgren said the changes in this policy are consistent with land banking and the rules that were developed in land banking. The proponent pays for expenses associated with land banking, the manner in which our lands are appraised are consistent with the change in this land exchange policy.

Mr. Morrison said I am curious about who the parties are that are proposing to pay for the MEPA analysis and other tasks associated with an exchange. Are any of them in the Whitefish area?

Ms. Holmgren said the exchanges that are active that we are looking at for the proponent to pay for those aspects would be in the SW Land Office area, it is John Miller and the Creaches. Those properties we will be looking at and disposing of or rights we are looking at to dispose of in the Whitefish Plan will fall in accordance with the Whitefish Plan; if it is selling of specific rights, it would come under the Land Banking Policy.

Mr. Morrison said it seems to me in a prior conversation about the Beaver Lake area or when Mr. Sugarman was here, there was an issue about a proponent of a change in land ownership being willing to pay for some of the tasks necessary as a prerequisite to an exchange or sale. But none of those are an issue with this change in policy, is that true?

Ms. Holmgren replied in the event that those properties are exchanged, this policy would be utilized in those specific examples. In the event that we move forward with an exchange with Mr. Sugarman, then we would implement this policy for that particular exchange, and for some of those properties. There are some folks in the Beaver Lake area that are looking at essentially buying our development rights in the Skyles Lake area and it would come under either land banking or land exchange. But yes, we would implement and have the proponent pay those expenses.

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 5

Mr. Morrison said so this will essentially set up an alternative avenue to the land bank for those people who might want to put together some kind of deal?

Ms. Holmgren said land exchange is a tool in the Whitefish Plan. Land exchange can be a tool to achieve goals and objectives associated with the Whitefish Plan. In the event we do not proceed to sell the 50 acres that Burt Sugerman is looking to purchase, we can go ahead and implement a land exchange. As associated in the Whitefish Plan, we would acquire land and seek lands in the Whitefish area to exchange those 50 acres to Burt Sugerman. We would exchange land in the Whitefish area under this land exchange policy.

Governor Martz said this will apply to anybody around the rest the state not just this part of the state. The plan will work for everybody.

Ms. Holmgren said that's correct. Land exchange is a tool. One of the tools to achieve the goals and objectives of our Whitefish Plan as well as land banking, development, and conservation. This is a tool to achieve some of those goals and objectives.

Mr. Morrison said would you summarize how this change in policy will effectively change the way those kinds of proposed transactions are handled from the way they are handled now?

Ms. Holmgren said the only way it would change how they are handled now is it sets forth that we still go through MEPA, we still do the appraisal, timber cruise surveys, it is just that the proponent pays for the expense of the processing and pays for those aspects of what is necessary to process a land exchange. We are still the decision maker, it is just a matter of who pays for those.

Tom Schultz, DNRC, said to clarify, there are no exchanges on the table in Whitefish right now. This is not being driven by that. What it is being driven by is consistency. In the past, we have had some proponents pay and in some cases the department has paid. This issue of appraisal has been one that we've not been consistent with. On some of the isolated tracts we have charged folks as if they are not isolated or appraised them as though they were not isolated. There are issues right now in the southwestern part of the state near Hamilton, Montana, where folks are asking questions like, "this tract doesn't have legal access and why is the department appraising it as if it did have legal access"? We were saying we have done that historically in some cases, but we want a policy that provides consistent application across the state, both on appraisals whether it is appraised with or without access, we're going to do it both ways. The only exception would be if it has clear access, then we would not appraise it as though it did not have access. This is basically an effort to address some of the field concerns that have come up recently where proponents are saying that is not an accessible tract and we're not paying for an appraisal that says it is

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 6

accessible. So we are trying to provide that direction to the field and to the public for proponents. In some cases in the past we've had folks pay that were proponents and in some cases we have not had them pay. We're just trying to put everyone on notice that this is a tool that we will use. If you are proposing a land exchange with the state, we are going to look at trying to recoup those costs and get the highest value for the trust. A lot of these folks have conservation objectives in mind, where folks try to consolidate their ranches and actually trade the state greater acreage than it would be trading to them so they can block up their ranches. If this does come to fruition we will apply this everywhere in equal fashion.

Mr. McGrath said if we allow a proponent of an exchange to pay for an appraisal, that does not preclude our ability to get an independent appraisal or a second appraisal.

Mr. Schultz said no it doesn't. We actually have an appraiser on staff that would be reviewing the appraisals. The problem with land exchanges is we have so many issues going on now that we don't have the staff to work full time on it. We will review the appraisal, but there are no guarantees to the proponent. We also still have the process on land exchanges where we come to the Board with preliminary approval before we get too far into the process, so if the Board doesn't think it is a good idea we won't have anybody invest a lot of time and resources to present a package.

Mr. McGrath said that is the concern I had.

Mr. Schultz said again, part of this is putting expectation right up front, having this policy out there for everybody to see. There are no guarantees with a land exchange. These costs are typically borne by a proponent. I say typically, not absolutely. We will review things and will have ultimate control in terms of deciding was it a good appraisal or was it not a good appraisal, we are going to try to agree on the appraiser. But it is really just trying to get it out there for everybody to see what the expectations are before they invest a lot of time and energy in the land exchange. We are getting a lot of requests from people that would like to exchange lands, and we don't necessarily want to have them go too far into the process.

Mr. Morrison said his concern is that he knows in the discussions with some of the people who propose various transactions in the Whitefish area there have been issues about the objectivity of data provided by studies that are paid for by the proponent. We have to be in a position where in addition to what Attorney General McGrath says about the problem with the proponent saying he has invested all this money, we also need to know the appraisal, the MEPA analysis, the survey, and so forth are objective. But you're saying this completely preserves the ability of the Land Board to provide a second layer of data collection in the event there is any question about the objectivity.

Mr. Schultz said that is correct. We would review it and if we didn't agree with it, we could either commission our own study or appraisal or send it back out there with new

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 7

directions. But we would set out the scope of work, and that is a big thing for an appraisal. An appraisal is the biggest thing we are talking about, how the land is to be valued and where exactly are the lands to be valued. We would set up that scope of work regardless of who is going to do the appraisal. Whether we are going to do it internally or hire someone. We will review it and make sure everyone knows what to expect up front.

Motion was made by Ms. McCulloch to approve the proposed land exchange policy revisions. Seconded by Mr. Morrison. Motion carried unanimously.

1204-5 OIL AND GAS LEASE SALE APPROVAL
(Held December 1, 2004)

Mr. Clinch said on December 1st the department held its quarterly oil and gas lease sale where over 300 tracts were offered for sale. They yielded a little over \$588,000, with the average tract yielding \$4.50 per acre. The high bid was \$57.25 per acre for a particular tract in Richland County. Other than that, the sale was routine. Mr. Clinch requested approval of the December 1, 2004, oil and gas lease sale.

Motion was made by Mr. Morrison to approve the lease sale. Seconded by Mr. McGrath. Motion carried unanimously.

1204-6 BEAR BOTTOM TIMBER SALE

Mr. Clinch said the Bear Bottom Timber Sale is going to occur in five different sections in Township 10S, Range 15W, southwest of Dillon, Montana. It proposes to yield a little over 4,000 tons, or approximately 650,000 board feet, of sawlogs with an estimated value of \$86,000. The purpose of the sale is to treat mature Douglas fir stands that are being affected with bark beetle. It will be a thinning operation removing the bug killed trees and adequately spacing the residual live trees. Access to this sale is across existing private land, and consequently, this sale is going to be implemented pursuant to §77-5-201, MCA, our limited access timber sale authorization. Under that authorization the landowner has some control over the selection of the contractor. We've done numerous sales in this fashion over the past years and they have worked quite well both for the department as well as for the landowner who controls the access. Typical of all of our timber sales, an archaeologist has completed a record search and there are no historical or cultural sites. Through our scoping notices were sent out to interested parties, organizations and the feedback was incorporated into the sale. No significant environmental impacts will occur. In addition to the anticipated revenue, we are proposing a \$2.31/ton Forest Improvement Fee on all merchantable timber both green and dead. Mr. Clinch requested approval of the Bear Bottom Timber Sale.

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 8

Motion was made by Mr. Morrison to sell the Bear Bottom Timber Sale. Seconded by Ms. McCulloch. Motion carried unanimously.

1204-7 PHOENIX TIMBER SALE

Mr. Clinch said is a proposed sale 12 miles northwest of Philipsburg to occur on five different sections of land with a total combined acreage of 316 acres, proposing to yield about 2 MMbf. Under current prices and value we anticipate that the sale will yield about \$178,000 in revenue. This harvest area is dominated by stands of lodge pole and we are attempting to improve the health and growth by removing lodge pole pine and retaining the large Douglas fir and ponderosa pine for a seed source to add to structural diversity. Access is across existing roads, there will be 5.8 miles of road construction and 2 miles of road reconstruction. Following completion of this sale the roadbeds will be grass seeded to prevent erosion and to maintain soil stability. The department's archaeologist completed a record search and there are no cultural or historical sites. Public involvement was solicited through newspaper advertisements, letters to interested parties and adjacent landowners. All responses have been incorporated into the mitigation measures. An EIS was completed on this harvest operation. In addition to the anticipated revenue of \$178,000, we are proposing a \$7.46/ton Forest Improvement Fee. Mr. Clinch requested approval of the timber sale.

Motion was made by Mr. Morrison to sell the Phoenix Timber Sale. Seconded by Mr. McGrath. Motion carried unanimously.

1204-8 REQUEST FOR APPROVAL OF RIGHTS-OF-WAY APPLICATIONS

There are sixteen requests for approval of rights-of-way applications this month. Number 12596, #12597, and #12598 are from RT Communications for buried telecommunications cables; #12747 is from Northern Electric Cooperative, Inc. for an overhead electric distribution line; #12748 is from Deschland, Inc. for a private access road for a single family residence; #12749 is from Missoula County for a public county road; #12750 is from Emil Diede, Inc. for a private access road for a single family residence; #12751 is from James Brown for a private access road for conducting normal farming and ranching operations; #12752 is from Fidelity Exploration and production for a buried 4" natural gas pipeline; #12753 is from Wade and Deena Kinkelaar for a private access road for a single family residence; #12754, #12755, and #12756 are from the Montana Department of Transportation for highway construction and maintenance; #12757 is from John Byers for a private access road to a single family residence; #12758 is from the USDA, Kootenai National Forest for an exclusive public road; and #12759 is from the USDA, Lolo National Forest for an exclusive public road. Mr. Clinch requested approval of the rights-of-way applications.

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 9

Motion was made by Ms. McCulloch to approve the requests for rights-of-way. Seconded by Mr. McGrath. Motion carried unanimously.

1204-9

PRESENTATION OF FY-04 REVENUE CHECK

Mr. Clinch said last month Mr. Schultz gave a power point presentation about the year's accomplishments and went into great detail about the revenue we accrued during the past year and all the various sources of that. Because Ms. McCulloch was absent, we didn't follow through with the second stage which was the presentation of the check for those revenues. We'd like to do that today. To assist Mr. Schultz with that, we have several staff people representing aspects of the department. Julie David is here representing the minerals management section; Bob Storer is from the Southwest Land Office; Brian Robbins is from the Anaconda Unit; Becky Shepard is from the Northeastern Land Office; and David Greer is from the Real Estate Management Bureau.

Ms. McCulloch introduced the Canyon Creek staff and students whose school is featured on the check this year. The students from Canyon Creek thought it would be a good field trip to come to the Land Board today and we're delighted to have them here. She asked the students to stand when their name was called. The teachers are Tara Ferriter and Helen Lundberg. We have students Justin Lester, Amanda Erickson, Kaylee Randolph, Ty Grady, Chase Grady, Ethan Erickson, Sidney Grady, Savannah Randolph, Kim Randolph, Tiffany David, and Kimball Schultz.

Mr. Schultz said we actually have two checks this year. The first one is one that provides the basic funding for schools which we have talked about many times in the past. It's the first dollars that go into funding education, this is the check for the common schools which is made up from both revenue generated from on-the-ground activities: timber sales, oil and gas leasing, grazing and ag leasing, and real estate activities. The other component of that is interest earned off of the permanent fund. We have a permanent fund balance of about \$415,000,000.

Mr. Schultz said there is another source of funding we have for schools and that is the Technology Acquisition Fund which is generated from timber sales. There has been debate in the legislature over the last couple of years whether this should stay or go as we have budget shortfalls, but the fund basically provides that if there is money generated from timber sales in excess of 18 MMbf, which we had because we sold about 46 MMbf this year, those dollars go directly to the Technology Acquisition Fund that OPI can manage across the entire school system. It provides money in addition to what is appropriated by the legislature, a little over \$3 million last year. This was our biggest year for Technology Acquisition tied to timber harvests. As we see timber harvest numbers increase slightly over the next several years we expect that number to

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 10

go up. We appreciate the hard work done by the department trust lands folks and we appreciate the children from Canyon Creek coming to the meeting.

Governor Martz thanked the department for its hard work and thanked the children for coming today.

The two checks were presented to Superintendent of Public Instruction Linda McCulloch.

PUBLIC COMMENT:

Ellen Engstedt, Montana Wood Products Association, said the issue we are interested in, obviously, is the \$3.2 million that did go into the Timber Technology Account because it provides such a direct link from the land and what happens on the land right to the school coffers through the harvest of timber to benefit Montana children. We have joined in an alliance with the education lobbyists the last couple of sessions to ensure that the money was not siphoned off and that it did go to the purpose for which it was intended, and that is technology equipment for children. The revenue produced from the sale of over 18 MMbf of timber harvest goes directly into this fund so when the sustained yield figure was raised to 50 MMbf in 2004, Montana kids received some cream from this increase. With the new increased sustained yield study completed that number has risen again to 53.2 MMbf the rise should continue into the future. As was mentioned, these dollars are not part of the legislatively-appropriated funds they are a direct increase for a school district. I was curious about how much money that meant for a school district in a given area and with the help of Kathy Bramer, I found the information on OPI's website. I didn't know the Canyon Creek school was coming to the meeting today or I could have looked up that number, but a couple of examples are Townsend K-12 base budget is \$3 million and they received \$15,500 in the timber check account; Helena elementary school has a base budget of about \$18 million and they received \$92,000 for technology equipment. While some contend this isn't much money for education, dollars produced in this manner are not coming from local taxpayers and it is a definite benefit to both the local taxpayers and the kids in the technology area. I would also like to take this opportunity to publicly thank the current Land Board members for their very straightforward approach over the past few years in approving timber sales on state lands. It was the right thing to do and my members thank you for helping to maintain a stable timber supply while properly managing Montana's trust lands. Thanks and best wishes from us to Director Clinch and the rest of the very fine staff at the DNRC. It is a joy to work with folks who possess a sense of humor and a very strong sense of professional pride. Thank you all very much and Merry Christmas.

Jeff Hagener, Director FWP, said we wanted to take this opportunity also to recognize Director Clinch and the efforts he has made over the past twelve years. Bud began twelve years ago as the Commissioner of State Lands and through reorganization he is

MINUTES
December 20, 2004
BOARD OF LAND COMMISSIONERS
Page 11

now the Director of the Department of Natural Resources and Conservation. Over those twelve years Fish, Wildlife & Parks has brought forth to this Land Board and through the process of DNRC and the former DSL, over 30 Conservation Easements and over 38 acquisitions of property that we believe were very significant to the furtherance of what Montana has and we think are really a cherished resource of our fish, wildlife, all of the natural paleontological scenic and recreational parks. Bud has been a stalwart supporter and even with our process where we have a commission we have to go through and an environmental process, he has been very willing to work with us and bring forth these issues and we're very appreciative of that. Today is the last three we had with Bud and we wanted to present to Bud a small token of our appreciation. This is a copy of a print that Larry Zabel has done for the FWP Foundation in recognition of their efforts, it is titled Old Man of the Hills, and we wanted to give a copy of that to Bud for all his efforts over the past twelve years.

Governor Martz said she wanted to thank Mr. Clinch as the director of this fine organization. It is a good idea for the people in both departments work together on issues that are most important to the people of Montana. I can't thank you enough from my standpoint working with you on fires, whether it is water issues, conservation easements, under your leadership I truly think you have brought this State to a better place for the people that we serve. For the last twelve years there is just no way "thank you" covers all that. Bud, as you move to a different position, thank you. I always appreciate your honesty and candidness and your willingness to go the extra mile to make things right on everything we've done.

Motion to adjourn was made by Mr. Morrison. Seconded by Mr. McGrath.